



COUNTRY FRAMING REPORT

Italy

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Introduction

Italy has been interested by an increasing ageing of the population and is characterized by significant gender inequalities both within the labour market and in the allocation of time that in turns affect other relevant dimensions of well-being.

In the following report attention will be paid to gender inequalities in the labour market, in unpaid work distribution and in the health status of elderly as well as on the policies that have determined an increase in the length of working life.

Gender inequalities in paid and unpaid work

The literature on women and work in Italy shows a high heterogeneity across Italian regions in terms of labour supply with higher participation rates in the North of Italy. Labour force survey data show an increasing trend in female employment women's share on the total employed population that increased in the last 15 years from 38% in 2000 to 41.8% in 2015 whereas men's share of employment decreases with an acceleration during the crisis (Istat, 2016a). However in 2015 women's employment rate is still much lower than men's employment rate: in the 15-64 age group women's employment rate is 47.2% (it was 45.1% in 2005) and men's 65.5% (69.7% in 2005). The gender gap in employment is lower as the level of education increases: men with tertiary education have a 82.4% employment rate against 71.7 for women with the same level of education whereas for men having a high school level of education employment rate is 71.8% against 54% for women in the same level of education. The gender gap is even higher for those showing a secondary or less level of education where men show a 54.4% employment rate against 29.3% for women (Istat, 2016a). Higher educated women show also to be less discouraged than lower educated by the presence of children in the household and show also more continuous work profiles over their life cycle (Addabbo, 1999).

The gender employment gap is higher in the Southern regions of Italy where in 2015 women's aged 20-64 employment rate was 33.4% against 59.9% in the Centre North, whereas men's employment rate in the same age group was 76.8% in the Centre North and 59.1% in the South (Istat, 2016c). Turning to 55-64 years old we can observe an increasing trend in their employment rate that, for the last years, can be connected also to the increase in retirement age, still the gender gap is almost stable and it is sensibly higher in the South of Italy as the data reported below show.

Table 1: Employment rate by gender

Employment rate by gender and area 55-64 years old

Employment Rate	2004			2015		
	M	F	gap	M	F	gap
Centre North	40,4	20,5	19,9	61,2	42,4	18,8
South	45,7	18	27,7	55,5	29,3	26,2
Italy	42,1	19,7	22,4	59,3	37,9	21,4

Source: our elaborations from Istat (2016c, Labour Force survey data).

The observed differences in women's employment rate by region are also affected by the lower availability of childcare and eldercare services (Addabbo, 2013). In fact in total in Italy in 2013, only 13% of children aged from 0 to 2 attend public childcare services: 4% in the South of Italy and 18.4% in the Centre. Considering also private services on the whole the coverage is 22.5%,

about 30% in the Centre-North and 9.4% in the South of Italy (Istat, 2016b).

Women's are over represented with respect to men in part-time work in 2015 their employment rate in part-time work is 32.5% (women working part-time on women employed) against 8.5% for men (Istat, 2016c). The presence of women in part-time work increases with children and, during the crisis, involuntary part-time work has increased both for men and for women (Addabbo, 2013).

Increasing difficulties with the crisis are felt by women in returning to work after childbirth (Istat, 2012).

During the crisis if a flow into the labour force of lower educated women aged over 40 had been observed leading to the hypothesis that an additional work effect was at work (with an increase in another member of the household to compensate decrease in household income due to men's job loss), multivariate analyses lead to detect the prevalence of a discouraging worker effect with a worse effect on income distribution in Italy (Addabbo, Gálvez-Muñoz and Rodríguez-Modroño, 2014).

Gender wage gap are increasing in Italy with respect to EU in average (Di Tommaso and Piazzalunga, 2015) with a larger gap at the higher part of the earnings distribution (Istat, 2016b).

Italy is characterized by a sharp inequality in the allocation of time over the life course with women playing the key role in unpaid domestic and care work also in their elderly years not only towards their partners but towards their children and grandchildren (Addabbo, Caiumi and Maccagnan, 2012; Anxo *et al.*, 2011; Aassve, Meroni and Pronzato, 2011). By using the Italian 2008-2009 Time Use Survey, Bianchi *et al.* (2014) show that for cohabiting and married men and women there are significant differences in the amount of time devoted to paid and unpaid activities. Taking the ratio of men to women average time devoted to paid market work the ratio for cohabiting men and women is 1.50 and 2.55 for married one. On the other hand the ratio shows a higher involvement of women in nonmarket unpaid work activities ranging from 0.33 for cohabiting to 0.29 for married. Within nonmarket activities, the gap is higher amongst men and women for childcare in cohabiting couples (0.39) than in married ones (0.49) whereas the opposite holds for housework (with a ratio of 0.27 for cohabiting men and women and 0.20 for married men and women). On average married women devote 282.2 minutes a day to housework whereas men spend 55.6 minutes, married women spend on average 71.6 minutes a day in childcare against 33.1 spent in childcare by married men.

Working life extension

Major labour market and pension policies reforms have been undertaken in Italy in the last decades leading to the transition to a multi-tier system where the dominant pillar is made of a notional defined contribution system that is based on the contribution made by employees, self-employed and parasubordinate workers in the public and in the private sector (European Commission, 2015). Last 2011 reform has increased also the legal retirement age that is now linked to life expectancy. The legal retirement age in 2015 was 66 years and 3 months for male and female employees in the public sector and for male workers in the private sector and was 63 years and 9 months for female employees in the private sector (European Commission, 2015).

Given the crucial role played by elderly women in grandchildren care and the rationing of available childcare services for children aged less than 3 the extension of working life in the pension reforms without an extension of the childcare services provision can increase the

difficulties felt by younger mothers in their return to work (Verashchagina and Capparucci, 2014) leading to a negative effect on their labour supply.

Gender inequalities in the employment rates and wages as well as in the length of the working experience and in the type of contract (women are more represented in part-time work) generate gender gap also in pensions and a higher risk for women of not reaching a decent standard of living in their elderly phase of life (Corsi and Samek Lodovici, 2013). Considering old-age pensions in 2013 men perceive 55% of old age pensions and their old-age gross yearly pension income is on average higher than 8,000 € with respect to women's one (Istat, 2016a).

Health

The demographic analysis of the Italian population shows an increase in the life expectancy and an increase in the percentage of elderly women living alone (Istat, 2016b).

Life expectancy has increased in Italy together with the life expectancy without functional limitations (that was on average 12.7 for elderly men and 14.2 for elderly women in 1994 and 15.5 for men and 16.2 for women in 2013), a decrease in the 65-74 years old of chronic diseases occurrence took place together with an improved physical health status and a stable mental health status (whereas this decreases for younger generations) (Istat, 2016b). When one considers life without disability indicators in Italy the male disadvantage reduces, according to Burgio, Murianni and Folino-Gallo (2009) results in 2005, women had a longer life expectancy (84 against 78 years) than men, however men lived 85% of their years without disability against 75% for women.

Education plays a key role in shaping the health profile of the elderly population both by affecting the life styles and by showing different exposure to the risk of being employed in arduous work. Lower educated elderly show worse health conditions and lower life expectancy without functional limitations as compared to the highly educated elderly (Istat, 2016b).

Increasing involvement in social interaction as well as in working activities appears to have a positive effect on elderly health status. Negative effect of poor network relationships have been found on elderly health status (Pirani and Salvini, 2012a).

Italy is characterized by regional heterogeneity in terms of available health infrastructures and services and this is reflected in self-perceived elderly health status (Addabbo, Fuscaldo and Maccagnan, 2014; Pirani and Salvini, 2012b) with a larger effect on elderly women's health status (Addabbo, Fuscaldo and Maccagnan, 2014).

In a life course perspective attention has been paid by the literature on the impact, later on in life, of the observed gender differences in unpaid work distribution. By using retrospective information on the domestic and care work distribution by gender available in the Survey of Health, Ageing, Retirement in Europe (SHARE) data and multivariate analysis, Addabbo, Fuscaldo and Maccagnan (2014) were able to show evidence of a poorer global health status and residual affective problems for those women who had children and defined themselves as having the main responsibilities in care work.

Another issue that has been investigated regards the impact of the increase in childlessness on support received later on in life while elder, an issue that is particularly relevant in a country, like Italy, where family ties appear to be the most important source of welfare (Albertini and Mencarini, 2012). By using data from 2003 Gender and Generation Survey that contains

retrospective and prospective information, Albertini and Mencarini (2012) detect a different pattern by childless status in terms of the support received and its source. Childless elderly are more likely to rely on help provided by voluntary and nonprofit organizations and though they do not seem to suffer from a lack of support they are more exposed to the risk of missing some forms of support needed when they are elder (as housework, personal care). Albertini and Mencarini (2012) results therefore show a weakness in the Italian welfare system based on family ties for nonparents elderly care and suggest both a reinforcement of nonprofit organizations with a parallel increase in public long-term care.

The SHARE-Life history interviews have been used also to test the effect of maternity leave on women's mental health in older age in European countries by Avendano, Berkman, Brugiavini and Pasini (2015). Their difference-in-differences analysis shows that more generous maternity leaves have a positive effect on women's mental health.

The Survey of Health, Ageing and Retirement in Europe Retrospective Survey (SHARE-Life) merged with SHARE information on the health status of those who are 60 or older allowed also to detect the effect of quality of work dimensions while active on the health status of retired elderly by gender (Addabbo, Fuscaldo and Maccagnan, 2011). If on one hand the effect of better scores in the socioeconomic and control dimensions of the quality of work are connected for both men and women to better health status later on in their elderly life, worse physical working conditions have a negative effect only on women and this can be associated to their higher exposure to the risk of matching bad quality of physical work with a physically demanding unpaid care and domestic work leading to worse consequences on health status later on in life than for men. The latter when faced with better scores in the control dimension in their quality of work life are more exposed to the risk of facing higher affective problems in their elderly life and this can be associated to a loss in men's social sphere after retirement from a rewarding job or to the underdevelopment of caring and relational dimensions during their working life.

In analysing the effects of health status on other dimensions of well-being, Meggiolaro and Ongaro (2015) analyse the impact of health on elderly life satisfaction by gender and the impact on the latter also of socioeconomic conditions and living condition (whether the elderly lives alone). The study, based on the Italian National Statistics Institute cross-section data on the 'Aspects of Daily Life', does not show clear gender differences in the determinants of life satisfaction for elderly in Italy. They cannot confirm the hypotheses in their analysis that the impact of social and health status is more relevant for older women than for older men, neither that women are less affected in their life satisfaction than men from economic factors.

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Pension system, inequalities in pension income by gender and public social protection expenditure by function

Major labour market and pension policies reforms have been undertaken in Italy in the last decades leading to the transition to a multi-tier system where the dominant pillar is made of a notional defined contribution system that is based on the contribution made by employees, self-employed and parasubordinate workers in the public and in the private sector (European Commission, 2015). Last 2011 reform has increased also the legal retirement age that is now linked to life expectancy. The legal retirement age in 2015 was 66 years and 3 months for male and female employees in the public sector and for male workers in the private sector and was 63 years and 9 months for female employees in the private sector (European Commission, 2015).

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Disability benefits (including disability pension and early retirement benefit due to reduced capacity to work) represent 1.5% of GDP in 2012 against 2% on average EU-28 countries in 2012, sickness and health-care benefits amount to 6.8% against 8% in EU 28 average; old-age benefits amount to 14.2% against 11% in EU-28 countries, survivors benefits represent 2.6% against 1.6% in EU-28 (Eurostat metadata spr_exp_gdp).

Public expenditure as % of GDP by function, 2014

	<u>EU</u>	<u>Italy</u>
Health	7,2	7,2
Social Protection	19,5	21,5
sickness & disabilities	2,8	1,8
Old age	10,3	14,0
Survivors	1,4	2,8
Family and Children	1,7	1,4
Unemployment	1,5	1,2
Others	1,8	0,3

Parodi and Sciulli (2008), by using Survey of Households Income and Wealth data and by taking into account care work needed in the presence of a disabled person in the household, show that disability benefits do not compensate the disabled and potential carers' incomes unless in

situation of high socioeconomic disadvantage. Moreover they detect a potential reduction in the disabled main carer's labour supply and suggest either to increase disability benefits or to provide care services together with policies to improve employment, income and the opportunities of education for the members living in the household.

Care services

The Italian welfare system is heavily centred on the family support. Family support and informal care are more spread than on average EU countries in care activities (Bettio and Plantenga, 2004).

Early childhood education services are well spread and attended by children aged over 3 years old (Addabbo *et al.*, 2015). Primary and secondary schools are mostly scheduled on a half day basis with a difficult synchronization with parents' paid work.

Childcare services for children aged less than 3 are rationed and show a heterogeneous distribution across Italian regions. In total in Italy in 2013, only 13% of children aged from 0 to 2 attend public childcare services: 4% in the South of Italy and 18.4% in the Centre. Considering also private services on the whole the coverage is 22.5%, about 30% in the Centre-North and 9.4% in the South of Italy (Istat, 2016b).

Public expenditure in childcare services initially increased in Italy for then decreasing since 2010 (Istat, 2016b).

Fiscal austerity has determined also cuts in health public spending with a reduction in hospitalization (Istat, 2016b). This can result in an increase in care work of women who continue to be the main carer in the family not only for children, adult male partners and grandchildren but also of elderly not self-sufficient relatives.

Turning to elderly care there has been a shift towards home based elderly care with the increase in the employment of migrant workers in Italian households and the diffusion of the long-term care model based on the presence of a migrant worker in the family raising important issues in terms of discrimination, equity and sustainability of the system (Lyon, 2006; Bettio and Solinas, 2009; Bettio, Villa and Simonazzi, 2006; Bettio and Mazzotta, 2011).

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